

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice TB-967

For: Tobacco State and County Offices

Tobacco Loss Assistance Program 2000 (TLAP00)

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

On June 21, 2000, the President signed the Agricultural Risk Protection Act of 2000, which includes provisions to provide \$340 million in direct payments to tobacco growers and quota holders because of the reduction in quota from the 1999 crop year to the 2000 crop year. The \$340 million provides assistance to quota holders and producers to help them defray income losses in crop year 2000 because of quota reductions.

B

Purpose

This notice provides program signup information and instructions for publicizing TLAP00.

C

**Automation
Software**

Software for entering and processing CCC-950 will be released in a future software release.

Disposal Date

December 1, 2000

Distribution

Tobacco State Offices; State Offices relay to
applicable County Offices

Notice TB-967

2 Provisions of TLAP00

A

Signup Period

Applications will be accepted starting July 31, 2000, through September 1, 2000. Late-filed applications will **not** be accepted.

Exception: COC may accept a late-filed application because of hardship, subject to funds availability. STC concurrence is required. All COC- and STC-concurred applications for hardship must be submitted to DAFP for approval with documentation to support hardship relief.

B

Eligible Person

An eligible person is a person that owns, operates, or produces eligible tobacco on a farm for which a quota reduction from the 1999 crop year to the 2000 crop year occurred. Persons who lease and transfer their quota by annual leasing will be eligible since the transferring farm will earn P&CP credit.

C

AD-1026 and FSA-570

AD-1026 and FSA-570 are **not** applicable for TLAP00.

D

Eligible Farm

The farm must receive P&CP credit for the 2000 crop year to be eligible for TLAP00. If an applicant applies and the farm does not earn P&CP credit, the entire payment amount on the farm must be refunded to CCC with interest at CCC's borrowing rate with the Treasury in effect on the day the payment was originally made.

E

Eligible Types of Tobacco

The following types of tobacco are eligible for TLAP00:

- flue-cured (types 11-14)
 - burley (type 31)
 - dark fire-cured (type 21)
 - cigar binder (types 54-55).
-

Continued on the next page

2 Provisions of TLAP00 (Continued)

F

Payments

Payment rates and disbursement information will be provided in a future notice.

Payments will be made not earlier than October 1, 2000, and not later than October 20, 2000.

All eligible persons or entities must agree on the division of payments before CCC-950 can be approved.

G

Definitions

The following terms and definitions are applicable.

Controllers are persons or entities who control the land used to produce the tobacco and share in the risk of production of the tobacco. This applies to burley and dark fire-cured tobaccos that have a 1/3, 1/3, 1/3 distribution formula.

Example of When a Farm Operator Is Not a Controller: Jim cash rents a farm from Betty. Jim is a grain farmer and cash rents the tobacco to Barney. Since Jim does not share in the risk of production, he is not the controller of the farm and is not entitled to the second allocation of funds.

Example of When a Farm Operator Is a Controller: John is the owner and operator of the farm. Jake grows the tobacco on a share crop arrangement with John. John would be entitled to the allocation for the controller, and Jake would be entitled to the allocation for the tenant.

Growers/tenants are persons or entities who provide labor to produce tobacco **and** share in the risk of production. This is applicable to burley and dark fire-cured tobaccos that have a 1/3, 1/3, 1/3 distribution formula.

Producers are persons or entities actively engaged in planting, growing, harvesting, and marketing, or who share in the risk of production. This applies to flue-cured and cigar-binder tobaccos that have a 50/50 distribution formula.

Quota owners are persons or entities who own the quota assigned to the farm at the tract level.

Exception: Persons who purchase and assign quota to a tract that they do not own will be required to make an arrangement with the owner before approval of the application.

Continued on the next page

Notice TB-967

2 Provisions of TLAP00 (Continued)

H

**Division of
Payment for
Burley Tobacco**

State funds will be divided into 3 categories for payment as follows.

	Allocation 1	Allocation 2	Allocation 3
Eligible Person	Paid to quota owners	Paid to the farm controllers	Paid to growers/tenants Note: Payment may be divided in any manner if all eligible growers/tenants agree in writing.
Formula	Based on basic quota	Based on effective quota before any approved disaster lease and transfer of quota	Based on effective quota before any approved disaster lease and transfer of quota

I

**Division of
Payment for
Flue-Cured
Tobacco**

State funds will be divided into 2 categories for payment as follows.

	Allocation 1	Allocation 2
Eligible Person	Paid to quota owners	Paid to producers
Formula	Based on basic quota	Based on basic quota

Continued on the next page

Notice TB-967

2 Provisions of TLAP00 (Continued)

J
Division of
Payment for
Dark Fire-Cured

State funds will be divided into 3 categories for payment as follows:

	Allocation 1	Allocation 2	Allocation 3
Eligible Person	Paid to allotment owners	Paid to the farm controllers	Paid to growers/tenants Note: Payment may be divided in any manner if all eligible growers/tenants agree in writing.
Formula	Based on basic allotment times NASS yield	Based on effective allotment times NASS yield	Based on effective allotment times NASS yield

Note: Dark fire-cured (type 21) NASS yield is 2139.

K
Division of
Payment for
Cigar Binder

State funds will be divided into 2 categories for payment.

	Allocation 1	Allocation 2
Eligible Person	Paid to allotment owners	Paid to producers on the farm
Formula	Based on basic allotment times NASS yield	Based on basic allotment times NASS yield

Note: Cigar binder (types 54-55) NASS yield is 2054.

L
Offsets and
Assignments

If a producer is indebted to the United States, including CCC and FSA, TLAP00 payments shall be offset. A producer may also assign payments.

Note: CCC-36 must be on file before CCC-950 approval.

Notice TB-967

3 Action

A County Office Action

County Offices shall follow this table.

Step	Action
1	Immediately publicize TLAP00 by all means possible.
2	<p>The following must be updated in the System 36 before July 28, 2000:</p> <ul style="list-style-type: none">• all reconstitutions• FSA-375 L&T's• FSA-375 S&P's• special tobacco combinations• FSA-179's• FSA-278-A. <p>Note: Late-filed FSA-375's are not eligible to be included in payment pound calculations.</p>

Continued on the next page

Notice TB-967

3 Action (Continued)

A County Office Action (Continued)

Step	Action
3	<p>Immediately mail the suggested postal card (Exhibit 1) by first-class mail to all quota owners, farm operators of tobacco farms, and other producers on all tobacco farms subject to TLAP00. Postal cards may be addressed according to 5-AS, paragraphs 251 and 252.</p> <p>Note: County Offices shall select:</p> <ul style="list-style-type: none">• “mailing by Selected Categories” on Menu MAEC00 to generate labels• “Crop Producers” on Screen MAEC1A10• “All Producers” on Screen MAEC1A15• the type of tobacco on Screen MAEC1A20. <p>Important: County Offices should rerun this list on plain paper to maintain a mail list for those who were notified by postal card.</p>
4	<p>Begin accepting CCC-950's on July 31, 2000. The deadline to accept applications is September 1, 2000. Instructions for completing CCC-950 will be provided in a future notice.</p> <p>Note: Applications may be removed from the County Office to obtain signatures. Applications with original signatures must not be removed. Provide a copy of the application if additional signatures must be obtained. All signatures for payment must be obtained before COB on September 1, 2000.</p>
5	Follow provisions of 1-FI, paragraph 46 for electronic funds transfers.

Continued on the next page

Notice TB-967

3 Action (Continued)

B

COC Action

CCC-950's filed by COB September 1, 2000, shall be approved by COC. COC may redelegate authority to CED to approve routine applications **when** there are no disputed shares.

Hardship applications filed after September 1, 2000, **must**:

- be handled by COC
- be documented in the COC minutes
- have STC concurrence and DAFP approval
- be subject to funds availability.

Notes: Appeal rights shall be afforded to applicants, if applicable.

Uncertified shares are ineligible for payment, but will not affect the payment shares of any other certified persons on the farm.

C

STC Action

SED's shall:

- ensure that County Offices have followed the provisions of this notice
 - publicize TLAP00 by all means possible
 - not approve any late-filed FSA-375 L&T's until after October 2, 2000.
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Suggested Postal Card to All Quota Owners, Farm Operators of Tobacco Farms, and Other Producers on all Tobacco Farms Subject to TLAP00

Any County FSA Office
PO Box XXXX
Anytown, KY 42104

IMPORTANT

Dear Producer,

July XX, 2000

You may be eligible to receive payments under the Tobacco Loss Assistance Program 2000 (TLAP00), because of the reduction in quotas for the 2000 crop year.

Signup will begin July 31, 2000, and continue until September 1, 2000.

Apply at your local FSA office. Late-filed applications will **not** be accepted. Payments will be issued by direct deposit unless a waiver is on file.

If you have questions, call your local FSA office at xxx-xxx-xxxx.

Sincerely,

County Executive Director